



Constitutional Amendments

For Consideration

Election Date: Saturday, October 24, 2015

Prepared by House Legislative Services
Louisiana House of Representatives
Issue Date: August 31, 2015

CA No.		Page No.
1	Budget and Transportation Stabilization Trust Act No. 473 , Senate Bill No. 202, 2015 Regular Session	1
2	State Infrastructure Bank Act No. 471 , House Bill 618, 2015 Regular Session	2
3	Fiscal Sessions Act No. 472 , House Bill No. 518, 2015 Regular Session	3
4	Ad Valorem Tax Application for Public Entities in Other States Act No. 470 , House Bill No. 360, 2015 Regular Session	4

CA No. 1 – **Budget and Transportation Stabilization Trust** [Act No. 473](#), Senate Bill No. 202, 2015 Regular Session



Do you support an amendment to rename the Budget Stabilization Fund to the Budget and Transportation Stabilization Trust; to authorize the mineral revenue base to be increased every five years; to create the Budget Stabilization Subfund as a subfund in the Trust, to be funded with mineral revenues until reaching a maximum balance of five hundred million dollars, to be appropriated and used when the state has a deficit; to create the Transportation Stabilization Subfund as a subfund in the Trust, to be funded with mineral revenues until reaching a maximum balance of five hundred million dollars, to be appropriated and used for planning, design, construction, and maintenance connected with the state highway program, with twenty percent dedicated for use by the Louisiana Intermodal Connector Program; and to provide for the interruption of deposits into the Budget Stabilization Subfund and the Transportation Trust Subfund the year that the state has a deficit and the following year with the resumption of deposit of mineral revenues in the Budget and Transportation Stabilization Trust thereafter?

The present constitution establishes the Budget Stabilization Fund, which can be used to offset a budget deficit. The source of monies in the fund include 25% of nonrecurring revenues and a portion of mineral revenues. Deposits into the fund cease once the fund reaches 4% of the state's prior year's revenues. The cap for FY 2014-15 was \$811.4 million and the current balance in the fund is \$514.5 million.

The proposed constitutional amendment changes the name of the fund to the Budget and Transportation Stabilization Trust and creates two subfunds within the trust for the deposit of mineral revenues. Mineral revenues are to be deposited into the Budget Stabilization Subfund until the balance of the subfund reaches \$500 million. Then, up to \$500 million of mineral revenues are deposited into the Transportation Stabilization Subfund. The Transportation Stabilization Subfund is to be used solely for the state highway program, with at least 20% to be used for the La. Intermodal Connector Program designed to tie together various modes of transportation such as airports, ports, and rail facilities. The proposed constitutional amendment does not change present constitutional provisions regarding the cap, the deposit of nonrecurring revenues, or conditions regarding the use of monies in the fund.

The proposed constitutional amendment also stops the deposit of mineral revenues into the trust in the same year and in the fiscal year after money is spent out of the trust to offset a budget deficit.

Finally, under the present constitution, there is a determination of a mineral revenues "base". Mineral revenues above the base amount are deposited into the Budget Stabilization Fund. Any increase in the base amount decreases the amount deposited into the Budget Stabilization Fund. The proposed constitutional amendment allows the base to be increased every five years instead of every 10 years; however, increases in the base will still require a 2/3 vote of each house of the legislature and are limited to 50% of the growth of the consumer price index over the same period.

(Amends Article VII, Section 10(D)(2)(d), 10.3(A)(intro. para.) and (A)(2)(a)(intro. para.) and (b), and 10.5(B); Adds Article VII, Section 10.3(A)(2)(c))

CA No. 2 – State Infrastructure Bank

[Act No. 471](#), House Bill 618, 2015 Regular Session



Do you support an amendment to authorize the investment of funds for a state infrastructure bank to be used solely for transportation projects?

The present constitution prohibits the funds, credit, or property of the state or any of its political subdivisions from being loaned, pledged, or donated to or for any person, association, or corporation, public or private, with the following specific exceptions to the prohibition:

- Programs of social welfare for the aid and support of the needy.
- Employer contributions required for public employee pension and insurance programs.
- Securitization of debt and other public obligations.
- Return of property, including mineral rights, to former owners.
- Acquisition of stock by an institution of higher education in exchange for intellectual property.
- Donation of abandoned or blighted housing property by a municipality or a parish to a

nonprofit organization.

- Deduction of certain taxes for the renovation of blighted property.
- Deduction of past due taxes when the owner sells blighted property at less than its appraised value.
- Donation of asphalt removed from state highways to a local governing authority where the asphalt was removed, or if not needed by such governing authority, then to any other local governing authority.
- Investment of assets in the Rockefeller Wildlife Refuge Trust and Protection Fund and the Russell Sage or Marsh Island Refuge Fund in stocks.
- Investment of up to 35% of the state-funded permanently endowed funds of a public or private college or university in stocks.
- Investment of up to 35% of the assets in the Medicaid Trust Fund for the Elderly in stocks.

This proposed constitutional amendment would add another exception to this list. It would authorize the investment of public funds to capitalize a state infrastructure bank to be used solely for transportation projects. Act No. 431 of the 2015 Regular Session established the Louisiana State Transportation Infrastructure Bank. Public funds invested in the Louisiana State Transportation Infrastructure Bank could be used to assist in financing eligible public transportation projects in the state.

(Amends Art. VII, Sec. 14(B))

CA No. 3 - Fiscal Sessions

[Act No. 472](#), House Bill No. 518, 2015 Regular Session



Do you support an amendment to allow any legislation regarding the dedication of revenue, rebates, and taxes to be considered during a fiscal legislative session?

The present constitution provides that during any session convening in an odd-numbered year, commonly known as a "fiscal session", no matter can be introduced or considered unless its object is to enact the General Appropriation Bill or the comprehensive capital budget; make an appropriation; levy or authorize a new tax; increase an existing tax; levy, authorize, increase, decrease, or repeal a fee; dedicate revenue; legislate with regard to tax exemptions, exclusions, deductions, reductions, repeals, or credits; or legislate with regard to the issuance of bonds.

This proposed constitutional amendment would replace the phrase "dedicate revenue" with the broader phrase "legislate with regard to the dedication of revenue" and would replace the phrases "levy or authorize a new tax, increase an existing tax, and legislate with regard to tax exemptions, exclusions, deductions, reductions, repeals, or credits" with the broader phrase "legislate with regard

to taxes". Further, the proposed constitutional amendment would specifically add legislating with regard to rebates to the subject matters which may be considered during a fiscal session.

(Amends Article III, Section 2(A)(4)(b))

CA No. 4 – Ad Valorem Tax Application for Public Entities in Other States

[Act No. 470](#), House Bill No. 360, 2015 Regular Session



Do you support an amendment to specify that the ad valorem property tax exemption for public lands and other public property shall not apply to land or property owned by another state or a political subdivision of another state?

The present constitution authorizes the imposition of ad valorem property taxes by the state and its local governments but provides an exception for "public property held for a public purpose". Recently, there was a court decision that the City of Memphis, Tennessee, in storing natural gas owned by the City of Memphis in a storage facility located near Epps, Louisiana, fit that exception resulting in a loss of ad valorem tax collection in excess of \$400,000 to the parish of West Carroll.

The proposed constitutional amendment, if adopted, would specify that the "public property" exception would not apply to land or property owned by other states or their political subdivisions.

(Amends Const. Art. VII, §21(A))